

DEPARTMENTAL BUDGET INFORMATION AIRPORT DEPARTMENT (10)

STATEMENT OF PURPOSE

The Airport Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

Maximize the Coleman A. Young International Airport's economic benefit to our community and region to build the Next Detroit.

DESCRIPTION

The Coleman A. Young International Airport covers 300 acres of land, which includes: two runways, the Air Carrier Terminal, Executive Terminal (including 14 large hangars), 129 small aircraft hangars and space for 175 based aircraft. It handles more than 75,000 aircraft operations and 1.5 million pounds of cargo annually.

The airport staff is responsible for the administration, operations, and maintenance of the airport. In addition, there are more than 100 personnel employed at Coleman A. Young International Airport. The primary employers are the Airport Department, Signature Flight Support, Air Eagle, Enterprise, City Aviation, and the Detroit Fire Department.

The airport hosts a number of interesting programs for youth and adults, including: The Explorers and Civil Air Patrol (High School), Wild Blue Wonders (Middle School) and Experimental Aircraft Association.

MAJOR INITIATIVES FOR FY 2007-08

The Department selected a qualified strategic partner to manage and develop the Coleman A. Young International Airport. Our goal is to form a public/private partnership to provide the best opportunity for the City of Detroit's:

- Vision for the growth and redevelopment of the airport;
- Plan for capital investment in the airport to create a thriving enterprise;
- Opportunities for Detroit based businesses;
- Employment opportunities for displaced city employees;
- Expected income to the City's General Fund (including rents, taxes, etc.).

The selected strategic partner will assume the day to running of the Airport facility and make capital investments (\$50M minimum) to leverage current City, State and Federal investment. In addition, the City will work with its chosen partner to ensure adequate public oversight and maintenance of federal, state and local requirements.

We acquired 24 parcels of land under the French Rd. Land Acquisition Project and completed an \$800K roof replacement on the Executive Terminal and Hangars. The continued redevelopment of said facility includes the Tuskegee Airmen National Museum, office space and a Fly-In conference-meeting center.

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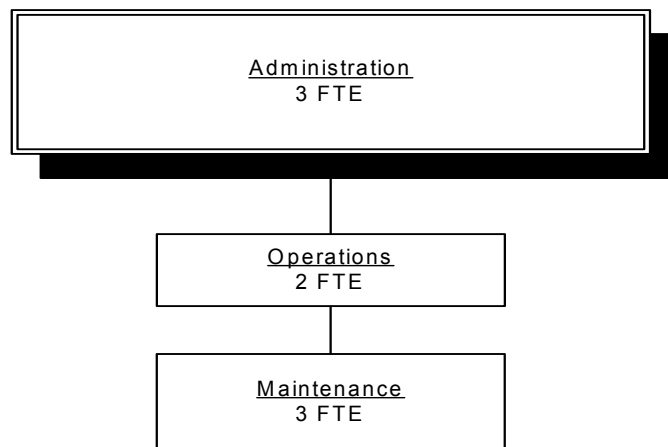
PLANNING FOR THE FUTURE FOR FY 2008-09, FY 2009-2010 and BEYOND

The Airport Department's dynamic and ambitious vision for the future is to establish the Coleman A. Young International Airport as an anchor for economic development, job creation, and improvements for the surrounding community. The vision includes modernized facilities, improved customer service, revamped business practices, and continued development programs. Restoring and maintaining airline service is a key component to maximize the potential impact of the Coleman A. Young International Airport and to the airport's role in helping to build the Next Detroit.

To achieve that vision, the department's goals are to build a longer runway to secure low cost airline service; to completely rehabilitate the executive terminal for use as a conference center, office space, and museum; and to complete land acquisition along French Road to meet FAA design standards. Additional economic development options are under consideration.

The Airport Department must overcome a number of facility challenges in order to make its vision a reality.

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AIRPORT OPERATIONS MEASURES AND TARGETS

Type of Performance Measure:	2005-06	2006-07	2007-08	2008-09
List of Measures	Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals				
Corporate/Charter Passengers	52,145	60,000	65,000	75,000
Annual airline emplanements	3,457	10,000	10,000	15,000
Annual tons of air cargo	69.7	75	75	75
Outcomes: Results or Impacts of Program Activities				
Budgeted City Subsidy	\$0	\$900,000	\$582,137	\$928,836

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EXPENDITURES

	2006-07 Actual Expense	2007-08 Redbook	2008-09 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 506,678	\$ 421,224	\$ 448,643	\$ 27,419	7%
Employee Benefits	302,814	245,998	279,762	33,764	14%
Prof/Contractual	210,640	63,701	62,880	(821)	-1%
Operating Supplies	402,091	161,560	145,495	(16,065)	-10%
Operating Services	760,752	915,502	945,905	30,403	3%
Capital Equipment	2,826,514	-	3,501,200	3,501,200	0%
Capital Outlays	73,782	18,000	25,000	7,000	39%
Fixed Charges	(38,100)	40,754	-	(40,754)	-100%
Other Expenses	(282,872)	1,512,508	145,880	(1,366,628)	-90%
TOTAL	\$ 4,762,299	\$ 3,379,247	\$ 5,554,765	\$ 2,175,518	64%
POSITIONS	11	8	8	-	0%

REVENUES

	2006-07 Actual Revenue	2007-08 Redbook	2008-09 Mayor's Budget Rec	Variance	Variance Percent
Rev from Use of Assets	\$ 857,826	\$ 1,004,110	\$ 838,500	\$ (165,610)	-16%
Grants/Shared Taxes	1,267,553	-	-	-	0%
Sales & Charges	83,470	120,000	95,000	(25,000)	-21%
Contrib/Transfers	900,000	582,137	928,865	346,728	60%
Miscellaneous	28,043	1,673,000	3,692,400	2,019,400	121%
TOTAL	\$ 3,136,892	\$ 3,379,247	\$ 5,554,765	\$ 2,175,518	64%